



MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held on
Thursday, November 20, 2008—1:30 p.m.
1001 I Street—Training 1 West Room, 1st Floor
Sacramento, California 95814

Chairwoman Marjorie Berte called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:33 p.m.

1. Call To Order and Roll Call.

The following Board members were in attendance:

Marjorie Berte represented the Secretary of the Business, Transportation and Housing Agency.

Tom Sheehy represented the Director of the Department of Finance.

Francisco Lujano represented the State Treasurer.

Leslie Lopez represented the Secretary of the State and Consumer Services Agency.

D. Everett Rice, Governor's appointee.

The following I-Bank staff members were in attendance:

Stan Hazelroth, Roma Cristia-Plant, Tara Dunn and Molly Arnold.

2. Executive Director's Report.

Executive Director Stan Hazelroth reported that COPIA: The American Center for Wine, Food and the Arts has missed five monthly loan agreement payments related to the \$77 million in 501(c)(3) conduit revenue bonds issued by the I-Bank in 2007. Mr. Hazelroth apprised the Board that the next monthly loan payment is due November 28, 2008, and the next semi-annual interest payment on the bonds is due December 1, 2008. Mr. Hazelroth also mentioned that there have been news reports that COPIA is considering selling all or a part of the facility located in Napa, and that the I-Bank's bond counsel had been in contact with COPIA to discuss the reports and the impacts of any facility sale on bondholders. Mr. Hazelroth stated that he will keep the Board apprised of further issues related to COPIA.

Consent Items:

3. Minutes from the meeting held on October 28, 2008.

Chairwoman Berte called for questions or comments from the Board and the public. Hearing none, she entertained a motion to approve this consent item. Mr. Sheehy moved to approve the minutes and Ms. Lopez seconded the motion. The minutes were unanimously approved.

Action Items:

- 4. A resolution approving the sale, issuance and delivery of tax-exempt 501(c)(3) revenue bonds for the Santa Barbara Center for Performing Arts, Inc. for an amount not to exceed \$35,000,000 to finance an economic development facility located in Santa Barbara, California.**

Ms. Dunn presented a staff report describing the request to finance up to \$35,000,000 million in tax-exempt 501(c)(3) revenue bonds for the Santa Barbara Center for Performing Arts, Inc. to be used for the renovation of the historic Grananda Theatre located in downtown Santa Barbara. Ms. Dunn described the project renovations and apprised the Board of the Center's mission and the projected opening date. Ms. Dunn discussed the genre of performing arts experiences the Center provides to the local youth and the community. Ms. Dunn then introduced Caren Rager, the business manager for the Center, Martha Vujovich of Sperry Capital, the Center's financial advisor and Raigen Padayacchee of Bank of America Securities, the underwriter for the proposed bonds.

Chairwoman Berte called for questions or comments from the Board or the public. Hearing none, she entertained a motion to approve Resolution No. 08-34. Mr. Lujano moved to approve the resolution and Mr. Sheehy seconded the motion. The Board unanimously approved the resolution.

- 5. A resolution delegating to the Executive Director certain authority in relation to the issuance of conduit revenue bonds by the I-Bank, including the authority to execute documents in relation to the issuance of such bonds; to evidence the official intent of the I-Bank to authorize the reimbursement of costs incurred by conduit revenue bond borrowers for federal tax law purposes; approve certain post-issuance actions; and, to make certain appointments for State of California financings involving the I-Bank.**

Ms. Arnold presented a staff report explaining the request to both augment and clarify the existing Board authority delegated to the Executive Director as that authority relates to conduit revenue bonds. Ms. Arnold included background information in her report referring to Government Code Sections 63000 *et seq.* Ms. Arnold further explained the reasons for the augmentations and the benefits of the proposed delegation authority to the Executive Director using as an example the Le Lycée Francais de Los Angeles' letter of credit substitution that was approved by the Board at the October 28, 2008, Board Meeting. Ms. Arnold also explained Agent Substitutions and informed the Board that with respect to replacement of any other agent, the new agent will serve in the same capacity as the current agent. Ms. Arnold concluded the report describing additional clarifications to the delegated authority and the reporting requirements.

In response to a question from Mr. Sheehy regarding any controversial substitutions of trustees, Ms. Arnold indicated that if staff felt that the substitution was questionable, staff would not recommend the substitution. Chairwoman Berte commented that the resolution requires that in the event the Executive Director uses any delegated authority, that use is to be subsequently reported to the Board.

Chairwoman Berte called for any more questions or comments from the Board and the public. Hearing none, she entertained a motion to approve Resolution No. 08-35. Mr. Rice moved to approve the resolution and Ms. Lopez seconded the motion. The Board unanimously approved the resolution.

Other Non-Action Business.

Chairwoman Berte announced that the next I-Bank Board Meeting will be held on Wednesday, December 17, 2008, at 1:30 p.m., and that Secretary Bonner would be Chairing that meeting. She then called for any other business; there was none.

Public Comment.

Chairwoman Berte called for any public comment; there was none.

Adjournment.

Chairwoman Berte declared the meeting adjourned at approximately 1:53 p.m.